

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application Of Pacific Gas And Electric Company (U 39 M) For Ex Parte Approval Of The 2002 California Alternate Rates For Energy Budget.	Application 02-04-031 (Filed April 18, 2002)
In the Matter of the Application of San Diego Gas & Electric Company (U 902-M) for Approval of 2002 CARE Activities and Budget.	Application 02-04-034 (Filed April 18, 2002)
Southern California Edison Company's (U 338-E) Application Regarding California Alternate Rates For Energy Program Funding for Program Year 2002.	Application 02-04-035 (Filed April 18, 2002)
In the Matter of the Application of Southern California Gas Company (U 904-G) for Approval of 2002 CARE Activities and Budget.	Application 02-04-036 (Filed April 18, 2002)

**ADMINISTRATIVE LAW JUDGE'S RULING
CONSOLIDATING THE APPLICATIONS, SCHEDULING
A PREHEARING CONFERENCE AND REQUESTING
ADDITIONAL INFORMATION**

On April 18, 2002, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company and Southern California Gas Company, collectively referred to as "the utilities," filed the above-

referenced applications requesting approval of California Alternate Rates For Energy (CARE) program plans and budgets for 2002.

The applications respond to the direction given by the Assigned Commissioner in Rulemaking (R.) 01-08-027, the Commission's proceeding on low-income assistance policies and programs:

"Each of these utilities anticipates a shortfall in current funding authorizations to cover the expected costs of [CARE] rate subsidies or administrative costs (or both) during 2002. The Commission will need to address these shortfalls through a ratemaking proceeding. By today's ruling, I direct the utilities to file applications describing their proposed CARE administrative activities and budgets for 2002, by expenditure category, and estimating rate subsidy costs through the end of 2002. The filings should include a detailed description of the basis for these projections, as well as the utilities' proposals for ratemaking treatment of anticipated shortfalls." ¹

As directed by that ruling, I am consolidating the above-referenced applications into a single proceeding. The Assigned Commissioner's ruling also sets forth an expedited schedule for the filing of comments. Comments or protests are due by May 8, 2002 and replies are due five days thereafter.

By today's ruling, I am scheduling a prehearing conference (PHC) on the applications for 2:00 p.m., Thursday, May 16, 2002, in the Commission's Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California. A new service list for this consolidated

¹ Assigned Commissioner's Ruling Regarding CARE Program Funding for 2002 in R.01-08-027, dated March 29, 2002, p. 1.

proceeding will be established at the PHC. Those wishing to be included in the service list should appear at the PHC in person.

At the PHC we will discuss scheduling issues, including the need for evidentiary hearings, and the scope of issues to be addressed in this proceeding. In addition, the utilities should supplement their applications with a detailed description of how, under *current* ratemaking treatment, their actual costs for CARE administration and rate subsidies are tracked (e.g., in what type of account—balancing or other?) and to what extent and how the utility currently recovers program costs from its ratepayers via rate changes. For example, are program costs currently recovered via rate changes in subsequent rate change proceedings (e.g., Biennial Cost Adjustment Proceedings or Rate Adjustment Proceedings), or are they currently booked against “headroom” or “surplus” ? Also indicate whether CARE program costs are currently recovered on an actual or forecasted basis, and how that recovery occurs. The utilities should jointly develop a table or schematic that lays out this information for all four utilities, and describes the differences among them.

Similarly, the utilities should describe how their proposed ratemaking treatment would *alter* the cost recovery treatment currently in place for CARE administrative costs or rate subsidies, and why such changes are appropriate. They should describe any differences among their ratemaking proposals. Again, a comparison table or schematic should be developed to summarize this information. To the extent that there are differences among the utilities with respect to their ratemaking proposals, they should explain the justification for such differences.

The following supplemental information should also be submitted:

1. The utilities should describe what non-English languages they plan to use for their CARE re-certification letters during 2002, along with other efforts to reach the non-English speaking CARE enrollees during re-certification.
2. The utilities should indicate which projected program-year 2002 CARE administrative costs are one-time or upfront costs (and why), and which they expect to recur from year to year.
3. In addition to being exempt from the 1 and 3 cent electric surcharge, CARE program participants are exempt from the public goods charge (PGC). The applications include estimates of the surcharge rate exemption costs (born by non-participating ratepayers), but not of the PGC exemption. The utilities should also present these costs in its supplemental filing, together with the worksheets that describe the calculations.

IT IS RULED that:

1. The above-captioned applications are consolidated.
2. A prehearing conference (PHC) will be held at 2:00 p.m., Thursday, May 16, 2002, in the Commission's Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California.
3. A new service list for this consolidated proceeding will be established at the PHC. Until that time, the service list in Rulemaking (R.) 01-08-027 will continue to be used for this consolidated proceeding.
4. The utilities shall submit the supplemental information requested by this ruling by May 10, 2002.
5. The utilities and interested parties may submit PHC statements addressing scheduling issues, the need for evidentiary hearings and the issues to be addressed in this proceeding. These statements are due by May 10, 2002.
6. The PHC statements and supplemental information requested by this ruling shall be filed at the Commission's Docket Office and served electronically on all appearances and the state service list in R.01-08-027. Hard copies of the

PHC statements and the supplemental information (approximately 20) should also be brought to the prehearing conference for distribution.

7. Service of the PHC statements and supplemental information by U.S. mail is optional, except that a hard copy shall be mailed to me at the CPUC, Room 5044, 505 Van Ness Avenue, San Francisco, California. In addition, if there is no electronic mail address available, the electronic mail is returned to the sender, or the recipient informs the sender of an inability to open the document, the sender shall immediately arrange for alternate service (regular U.S. mail shall be the default, unless another means—such as overnight delivery—is mutually agreed upon). Parties that prefer a hard copy or electronic file in original format in order to prepare analysis and filings in this proceeding may request service in that form as well. The current service list for R.01-08-027 is available on the Commission's web page, www.cpuc.ca.gov.

Dated April 26, 2002, at San Francisco, California.

/s/ MEG GOTTSTEIN
Meg Gottstein
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Consolidating the Applications, Scheduling a Prehearing Conference and Requesting Additional Information on all parties of record in this proceeding or their attorneys of record.

Dated April 26, 2002, at San Francisco, California.

/s/ JEANNIE CHANG

Jeannie Chang

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.

